

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### NEW MEXICO

**152,517**  
**95.6%** Small Businesses  
of New Mexico Businesses

**331,630**  
**55.5%** Small Business Employees  
of New Mexico Employees



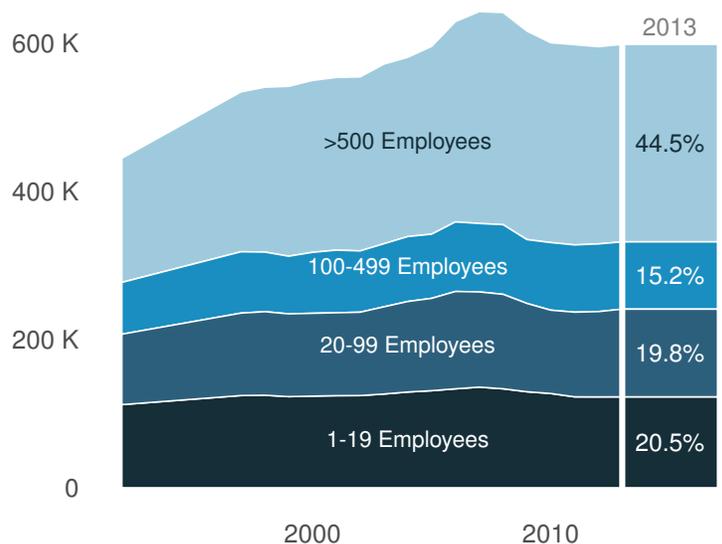
#### OVERALL NEW MEXICO ECONOMY

- In the third quarter of 2015, New Mexico grew at an annual rate of **0.5%** which was slower than the overall US growth rate of **1.9%**. By comparison, New Mexico's 2014 growth of **3.1%** was up from the 2013 level of **1.6%**. (Source: BEA)
- The employment situation in New Mexico slightly weakened. At the close of 2015, unemployment was **6.6%**, up from **6.4%** at the close of 2014. This was above the national unemployment rate of **5.0%**. (Source: CPS)

#### EMPLOYMENT

- New Mexico small businesses employed **331,630** people, or **55.5%** of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased **0.3%** in 2015. This was below the previous year's increase of **2.1%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.4%** relative to the previous year. (Source: BEA)
- Small businesses lost **270** net jobs in 2013. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding **1,606** net jobs. The largest losses were in firms employing 50 to 99 employees which lost **2,460** net jobs. (Source: BDS)

Figure 1: New Mexico Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

<sup>1,3</sup> Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

<sup>2</sup> Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 25,522 loans under \$100,000 (and valued at \$371.3 million) were issued by New Mexico lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income<sup>4</sup> for individuals who were self-employed at their own incorporated businesses was \$41,699 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$18,502. (Source: ACS)

<sup>4</sup> Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: New Mexico Changes in Business Ownership by Demographic Group

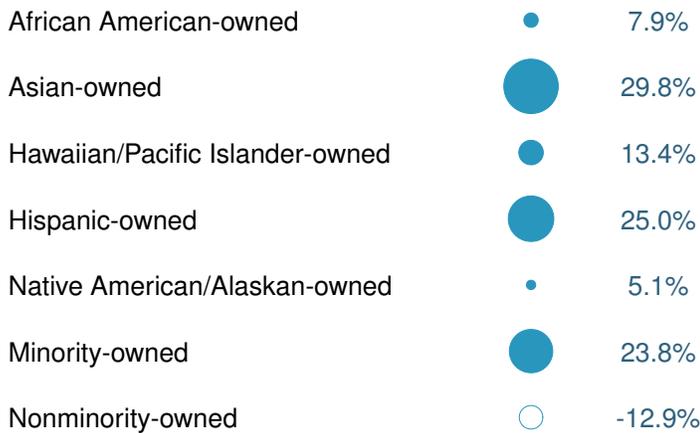
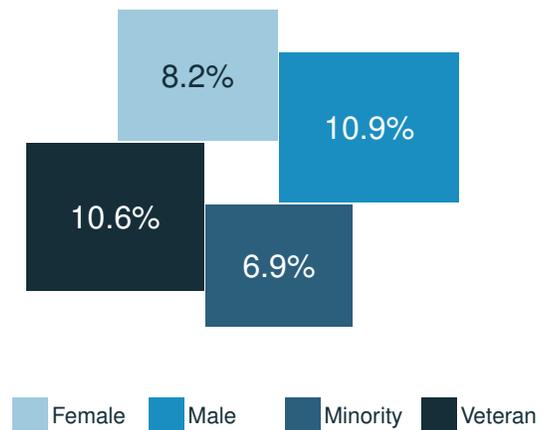


Figure 3: New Mexico Self-Employment within Demographic Group

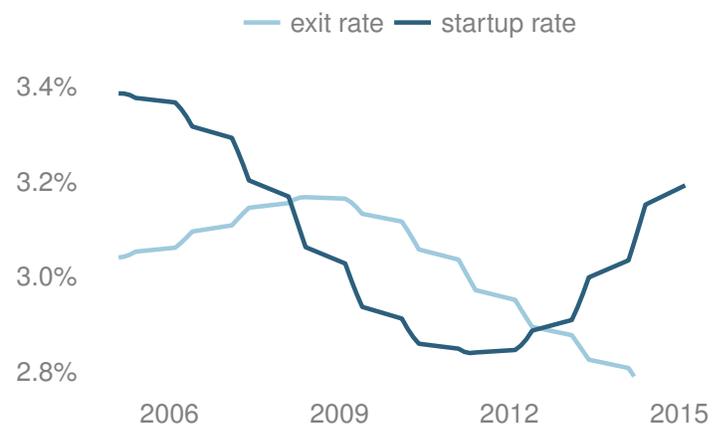


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for New Mexico, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

## BUSINESS TURNOVER

- In the second quarter of 2014, 1,240 establishments started up<sup>5</sup> in New Mexico and 1,135 exited.<sup>6</sup> Startups generated 4,061 new jobs while exits caused 3,760 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: New Mexico Private Startup and Exit Rates



<sup>5</sup> **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

<sup>6</sup> **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

## INTERNATIONAL TRADE

- A total of 1,343 companies exported goods from New Mexico in 2013. Among these, 1,108, or 82.5%, were small firms; they generated 30.2% of New Mexico's total known export value. (Source: ITA)

## SMALL BUSINESSES BY INDUSTRY

Table 1: New Mexico Small Firms by Industry, 2013  
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Construction	4,261	3,859	11,072	15,333
Professional, Scientific, and Technical Services	4,170	3,849	16,047	20,217
Health Care and Social Assistance	3,858	3,253	11,737	15,595
Retail Trade	3,790	3,347	10,889	14,679
Other Services (except Public Administration)	3,751	3,469	16,414	20,165
Accommodation and Food Services	3,005	2,165	1,941	4,946
Real Estate and Rental and Leasing	1,773	1,677	11,636	13,409
Administrative, Support, and Waste Management	1,519	1,347	9,019	10,538
Finance and Insurance	1,334	1,186	3,105	4,439
Wholesale Trade	1,311	1,018	3,393	4,704
Manufacturing	1,238	1,043	3,111	4,349
Transportation and Warehousing	1,063	915	4,086	5,149
Arts, Entertainment, and Recreation	620	523	8,318	8,938
Mining, Quarrying, and Oil and Gas Extraction	570	422	1,322	1,892
Educational Services	524	421	3,845	4,369
Information	379	316	1,601	1,980
Utilities	130	112	126	256
Agriculture, Forestry, Fishing and Hunting	88	86	1,533	1,621
<b>Total</b>	<b>33,384</b>	<b>29,008</b>	<b>119,195</b>	<b>152,579</b>

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: New Mexico Employment by Industry and Firm Size, 2013  
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	56,518	115,028	49.1%
Accommodation and Food Services	55,814	82,392	67.7%
Construction	35,593	37,593	94.7%
Retail Trade	33,535	92,607	36.2%
Other Services (except Public Administration)	24,632	26,490	93.0%
Professional, Scientific, and Technical Services	23,414	44,745	52.3%
Administrative, Support, and Waste Management	14,610	31,812	45.9%
Manufacturing	14,497	27,766	52.2%
Wholesale Trade	11,638	24,837	46.9%
Finance and Insurance	11,633	21,410	54.3%
Mining, Quarrying, and Oil and Gas Extraction	9,680	19,163	50.5%
Transportation and Warehousing	9,439	17,620	53.6%
Arts, Entertainment, and Recreation	8,117	13,320	60.9%
Educational Services	8,009	9,074	88.3%
Real Estate and Rental and Leasing	7,079	9,930	71.3%
Information	4,072	11,644	35.0%
Utilities	1,346	4,986	27.0%
Agriculture, Forestry, Fishing and Hunting	330	374	88.2%
<b>Total</b>	<b>329,956</b>	<b>590,791</b>	<b>55.8%</b>

Figure 5: New Mexico County-Level Job Changes, 2015 (CEW)

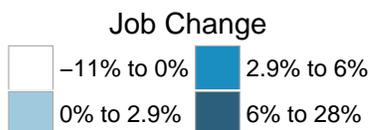
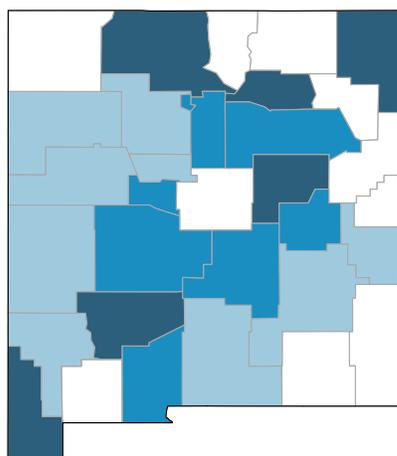


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

